

Memorandum

To: Finance Committee
From: Jack L. Valencia, Jr., Transit Project Manager
Thru: Anthony J. Mortillaro, Interim Executive Director 
Date: June 10, 2011
Re: **Construction summary regarding Additive Alternates and Furniture, Fixtures and Equipment (FFE) Budget**

Background- Following is a summary of the construction costs related to the Jim West Transit Center with budget and expenses to date, along with very preliminary estimates regarding the Additive Alternates and FFE's. The FFE Budget will be further detailed after a June 22, 2011 meeting with Contract Associates, whom will review existing furniture inventory and a cost estimate regarding what additional equipment and furnishings are needed to outfit the building floor plan.

Summary of Events and Actions-Jim West Transit Center

First Bid- opened on July 29, 2010-Many sub-contractor listing errors, it was deemed non responsive.

Second Bid- opened on October 21, 2010; the bids came in higher than available budget for the project.

Third Bid- Mandatory pre-bid January 7th, Bid opening January 20th, Evaluated on January 27th, 2011.

- In the third bid process there were additional alternate additives to the bid in order to maximize the opportunity to bring the new bids within the architectural estimate of \$1,166,243 Base Price, \$93,299 GRT, \$35,000 Contingency, Totaling \$ 1,294,542.
- Evaluation committee comprised of 7 members: 2 from the Board, 2 from Staff, 1 DOT Staff, 1 Architect, and 1 member representing a Citizen at large.
- Bids were evaluated on a qualifications (50%) and pricing (50%) on a weighted system.

As a result of the committee evaluation, it directed the project manager to begin discussions in the hierarchy of the rankings to bring the project in at

the optimum target base bid of \$1.16M, with the allowance of a 3% contingency and GRT to be declared in Rio Arriba County.

The Project Manager began with Lockwood the highest ranked responder, Lockwood could not and would not meet the target goal. He then proceed onto the next highest ranked firm of Stoven Construction Company, the owner was willing to meet the optimum price.

As a result of the bid, evaluation, and subsequent discussion processes, it is Staff's recommendation to award a construction contract to Stoven Construction Company.

Starting into FY'11 the Approved Budget for the project was: \$1,294,542.00

To date \$268,000.00 dollars have been billed and expended for construction of the building. It is anticipated that by the close of the fiscal year a total of \$300,000.00 will have been expended. Leaving a balance of \$976,990.00 carried forward into the FY'12 budget. In addition, \$223,766.00 is budgeted for FFE's. No funds were budgeted for the Additive Alternates.

Additive Alternates

Additive alternates were part of the bid process and their associated pricing:

- \$75,000.00 - Silkey Way Dr. (need to meet the development standards for City of Española)
- \$74,000.00 - Base Course, Security Fencing for Bus Storage Area
- \$27,000.00 - Board Room Patrician, room divider to separate into 2 training rooms
- \$32,000.00 - Wire Mesh, for security in parts and supply room

Total for Additive Alternates is \$208,000.00

In addition the project has incurred some change orders related to a change in office configurations (February 2011) and condition of the soil and needed base course (June 2011). The cost for these change orders to date totals \$23,248.93. An added change order for wet soil and base course replacement is forthcoming and the cost for this is unknown at this time, since a final engineering recommendation has not been produced which will determine the extent of replacement and materials that is required.

FFE's

Contract Associates an approved contractor on State Pricing Agreement will be inventorying NCRTD furniture and equipment on June 22, 2011; they have been provide a copy of the building floor plan by Ellis-Browning Architects to determine and recommend required furnishings and equipment prior to the expected move in date of November/December 2011.

Recommendation: It is recommended that \$250,000 be allocated from the un-appropriated reserve fund balance for the Additive Alternates and Change Orders and that the project budget is increased by this amount. In addition, the FY 12 budget will need to be amended to reflect the addition of these funds for this capital project.

As an alternative, we can omit for the time the \$27,000.00 for the Board Room Patrician, which provides the ability to separate the room into 2 training rooms and the \$32,000.00 for wire mesh that secures the parts and supply room. These items can be considered for implementation at a later as a separate bid. In this event the amount of funds required for the Additive Alternates and Change Orders would total \$191,000 (includes \$75,000.00 - Silkey Way Dr. in order to meet the development standards for City of Española and \$74,000.00 - Base Course, Security Fencing for Bus Storage Area)

It is estimated that at the beginning of FY 12 the reserve balance will be \$2,943,020. Of this amount \$2,612,421 is designated for meeting the policy requirement of a 25% reserve. Therefore \$330,599 is available as an un-appropriated reserve fund balance which can be utilized to meet unforeseen or unbudgeted one time expenditure needs.

Attachments: NA